

## Senate Floor Speech

December 18, 2007

Mr. President, I must share my concerns about a provision included in the Interior Division of the Omnibus Appropriations bill which we are considering right now. This provision was added on the House floor and was, unfortunately, retained by the conference committee. The language of this provision will prohibit BLM from preparing or publishing final regulations for oil shale commercial leasing on public lands. This provision is opposed by the Department of the Interior. I have a letter stating their concerns from Secretary Dirk Kempthorne and I would ask Unanimous Consent that it be submitted for the record.

In 2005 I worked closely with my colleagues in the House and the Senate on provisions which were included in Section 369 of the Energy Policy Act of 2005. These will help lead to commercialization after the research and demonstration projects currently underway have proven themselves. As those of us who have to run a business know, it is bad practice to pour millions of dollars into research and development projects with no hint of assurance that those projects will lead to commercialization. Understanding the regulatory framework within which development must take place is important to companies making investment decisions. I believe, as I did in 2005, that it is critical to give companies investing tens of millions of dollars into these research projects a proverbial “light at the end of the tunnel.”

The timeline included in this section of the Energy Policy Act for setting up a regulatory framework for oil shale development required the Department of Interior to develop a Programmatic Environmental Impact Statement for oil shale by February 2007 and to finalize oil shale regulations by August 2007. Although these dates have slipped, many who are concerned with decreasing our country’s dependence on foreign sources of oil remain interested in seeing this process move forward. A regulatory framework is needed in order to clarify the range of development options.

During the last several years, a handful of companies have worked to develop technologies that will allow for economically and environmentally feasible development of this resource.

While it may take many years of research to establish whether commercial leasing is viable, it is essential in guiding the scope of study and further analysis, including additional site-specific Environmental Impact Statements that are likely to be needed prior to any commercial scale development.

Some have complained that it is too soon to begin drafting commercialization regulations or that the pace at which the Department is moving is too quick. I am not advocating that we move forward inappropriately or in a way that is not sustainable. It should be noted that Section 369 of Energy Policy Act also requires the Department of the Interior to host a commercial lease sale in February 2008, but all who are involved in this process are aware that it is premature to take that step so soon. I have been supportive of moving back the date of the first commercial lease sale. However, this fact does not mean that we should bring the rest of the process to a grinding halt.

We are in the midst of a deliberate and thoughtful process for approaching the research and eventual commercial development of oil shale. The potential for this abundant domestic resource is too important to take lightly.

It is estimated that there are potentially over 3 trillion barrels of recoverable oil available from shale. This could be the single largest contributor to weaning us off of imports from other countries, many of whom are in political turmoil. Moreover, bringing online another large domestic supply of energy can lower prices for consumers, bring in royalties to states and the Federal government, and enhance the stability of oil prices in the marketplace.

With a cautious but deliberate approach, that involves consultation with State and local governments, we have the best opportunity of determining if producing oil from shale is possible. We must give this process an opportunity to work before we cut it off at the knees. The language included in this bill does just that. It is not sound policy for our country. And from a process standpoint, we should not be undoing carefully crafted policy choices that were negotiated for months by the authorizing committees of jurisdiction and passed by the Congress on a massive appropriations bill that is being pushed through this chamber at the eleventh hour.